



# **The One Year Action Plan**

## **EXECUTIVE SUMMARY**

### **FY 2012-13**



**Meadowcreek Commons**  
Senior Apartments - DHIC

This document describes the City's affordable housing, community and economic development projects planned for fiscal year 2012-13 and is required by the Department of Housing and Urban Development (HUD) for the City to receive Community Development Block Grant (CDBG), HOME, and Emergency Solution Grant (ESG) funds.



**City of Raleigh, North Carolina**  
Prepared by the Community Development Department  
Strategic Planning Division

## EXECUTIVE SUMMARY

### Purpose

This Annual Action Plan for fiscal year 2012-2013 implements one year of the City's Five Year Consolidated Plan (2010-2015) and is a requirement of the Department of Housing and Urban Development (HUD) as a condition of receiving funding under certain federal programs. The purpose of the Consolidated Plan is to extend and strengthen partnerships between the public and private sectors in order to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities primarily for persons of low- and moderate-income.

### Background

The Action Plan describes the City's plans for the expenditure of Federal housing dollars for the coming fiscal year. It spells out activities of three (3) major formula grants: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solution Grant (ESG). The plan also focuses on neighborhood revitalization activities funded with CDBG funds and local initiatives funded with City funds. Economic development activities and special partnerships with nonprofits and private entities are also described in the plan.

In FY 2012-13, the City is funding a housing and community development program totaling approximately \$10,344,074 from federal and local resources. Preserving continuity with the Consolidated Plan, the City's needs are housing development, neighborhood revitalization and economic development to benefit the following:

- Very low-income renter households.
- Homeless persons and families.
- Elderly and persons with disabilities in need of supportive housing.
- Low- and moderate-income homebuyers.
- Homeowners needing significant rehab assistance.

The table below shows some of the programs and goals for 2012-13.

Program	Goal
Joint Venture Housing (Bond/HOME)	80 units
Purchase/Rehab for Low-Mod Households (CDBG)	3 units
City-Wide and OWNER Mortgage Program (Bond)	50 households
HOME and Match/Deferred Payment Loans/Pilot	8 units
Limited Repair (Resources for Seniors) (City)	15 units
Homeownership Counseling Program (CDBG)	50 households
Community Enhancement Grant (CDBG)	120 households
Construction Job Training (CDBG)	25 individuals
City-Owned Purchase/Rehab Program (CDBG/HOME/Bond)	5 units

**SUMMARY OF PROPOSED PROJECTS**  
**FY 2012-13**

<b>Project Title</b>		<b>Amount</b>
<b>Community Development Block Grant</b>		
<b>Neighborhood Revitalization:</b> Acquisition, relocation, demolition, infrastructure, improvements		\$801,638
<b>Housing Rehabilitation:</b> Includes CDBG rehab and Rehab Warranty		\$219,576
<b>Public Services:</b> Funds for nonprofit service delivery and homeownership counseling		\$277,800
<b>Environmental/Site Planning/Property Disposition and Maintenance:</b> Provides funds for site planning and maintenance of CD properties		\$374,673
<b>Economic Development:</b> Provides funds for the Construction Trades Program		\$75,000
<b>Loan Services:</b> Debt service		\$25,000
<b>Subtotal Activity Funding</b>		<b>\$1,773,657</b>
<b>Administration and Planning:</b>		\$993,295
<b>TOTAL CDBG</b>		<b>\$2,766,952</b>
<b>HOME Grant</b>		
<b>Rehabilitation:</b> Includes funding for owner-occupied rehab and for the purchase and rehabilitation for first-time homeowners. Funds will assist approximately 12-16 very low- and low-income households.	HOME	\$286,906
	Match	\$82,227
	<b>Subtotal</b>	<b>\$369,133</b>
<b>Rental Housing Production:</b> Includes funds for the construction or acquisition and rehabilitation of 80-100 rental housing units for very low- and low-income renter households.	HOME	\$600,000
	Match	\$150,000
	<b>Subtotal</b>	<b>\$750,000</b>
<b>Community Housing Dev. Orgs:</b> CHDOs must receive a 15% allocation. Funds are used to develop rental or homeownership housing.	HOME	\$118,666
	Match	\$29,667
	<b>Subtotal</b>	<b>\$148,333</b>
<b>Administration:</b> Funds are limited to 10% and do not require a match.	HOME	\$91,383
	<b>Subtotal</b>	<b>\$91,383</b>
<b>TOTAL HOME</b>		<b>\$1,358,849</b>
<b>Emergency Solutions Grant</b>		
Funds to address homelessness issues		\$195,403
<b>TOTAL ESG</b>		<b>\$195,403</b>
<b>CITY BOND FUNDS</b>		
The 2011 City \$16,000,000 housing bond provides funding for a variety of affordable housing activities.		\$4,600,000
<b>TOTAL City Bond Funds</b>		<b>\$4,600,000</b>
<b>OTHER CITY FUNDS</b>		
	HOME match	\$ 261,894
	Other housing	\$1,402,870
<b>TOTAL Other City Funds</b>		<b>\$1,664,764</b>
<b>GRAND TOTAL</b>		<b>\$10,344,074</b>

## **Guiding Principles**

The City of Raleigh follows Federal guidelines, as well as principles including:

- ❖ All Raleigh's residents deserve access to decent, affordable, safe, and sanitary housing.
- ❖ Affordable housing will be made available throughout the City of Raleigh.
- ❖ Raleigh's housing and community development programs will emphasize neighborhood revitalization to encourage neighborhood stability and preservation of existing housing stock.
- ❖ The City will maintain productive partnerships with the private sector (nonprofit, faith-based, and for-profit) and with County, regional, and state governments.

## ***SOURCES OF FUNDS***

### **Available Resources**

Resources will include Community Development Block Grant funds, HOME funds, Emergency Solutions Grant funds, a Housing Bond, general revenues, local appropriations, and support from nonprofits, private lending institutions, and private developers.

To implement its ambitious housing program, Raleigh utilizes direct funding from a variety of federal and local sources. The proposed FY 2012-13 budget is estimated to be \$10,344,074. In addition to direct federal and local funds, other funds are sought to leverage public dollars in support of the housing program. These funds come from both the public and private sectors. The City's ability to leverage these funds is an important component in the City's housing program.

### ***FISCAL YEAR 2012-13***

**CDBG Funds** will be used for acquisition, assemblage, development, and disposition of real property, clearance, public facilities, relocation, housing rehabilitation, economic development, planning, and program administration costs.

**HOME Funds** will be used for homeowner rehabilitation, rental housing production, and related relocation, Community Housing Development Organization (CHDO) activities, and program administration costs.

**ESG Funds** will be used in support of operations at the South Wilmington Street Center (men's emergency shelter) and for Homeless Prevention and Rapid Re-Housing activities including short and medium term rental assistance, and program administration costs.

**City Bond Funds** will be used for the Forgivable Loan Rehabilitation Program, Joint Venture housing development, debt service, purchasing units for the City's affordable housing stock, Limited Repair Program, and for second mortgages.

**Other City Appropriations** will be used for administration and operations, as well as match funds for the HOME grant.

**The total amount available for all programs is \$10,344,074.**

## Private Resources

The City continually seeks other sources of funding to help carry out its housing programs. Most outside funds are leveraged from private sector institutions and federal tax credit sources. The Joint Venture Program and the Second Mortgage Programs usually leverage almost four times the City's funding.

The City also encourages private partnerships by assisting private and nonprofit developers in the development of affordable housing, offering incentives through land assemblage, favorable financing of City-owned land and below market interest rate loans. By helping to reduce the cost of development, both the sales prices and rents can be maintained at levels that allow low- and moderate-income households to benefit.

In October 2011, voters approved a \$16 million General Obligation Housing Bond. The City will continue to make every effort to obtain and solicit a wide variety of financial resources to maximize its housing program.

## Neighborhood Stabilization Program

The City of Raleigh, through the Community Development Department, applied for HUD funds from the North Carolina Division of Community Assistance to acquire foreclosed / abandoned homes and residential properties in destabilized or at-risk neighborhoods within the City of Raleigh. The City is using Neighborhood Stabilization Program funds, both NSP1 and NSP3, to create affordable housing opportunities that help stabilize targeted neighborhoods.

## 2012 Income Limits for HUD Programs

% AMI	Family Size							
	1	2	3	4	5	6	7	8
30%	\$16,800	\$19,200	\$21,600	\$23,950	\$25,900	\$27,800	\$29,700	\$31,650
40%	\$22,400	\$25,600	\$28,800	\$31,960	\$34,520	\$37,080	\$39,640	\$42,200
50%	\$28,000	\$32,000	\$36,000	\$39,950	\$43,150	\$46,350	\$49,550	\$52,750
60%	\$33,600	\$38,400	\$43,200	\$47,940	\$51,780	\$55,620	\$59,460	\$63,300
70%	\$39,200	\$44,800	\$50,400	\$55,930	\$60,410	\$64,890	\$69,370	\$73,850
80%	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150	\$79,250	\$84,350

% AMI = percentage of area median income, adjusted for family size.

## Revised Income Definitions (as of 2/12)

<b>HUD Adjusted Median Family Income*</b>	<b>\$79,900</b>
<b>Extremely Low-Income:</b> <i>Households whose incomes do not exceed 30% of the area median income</i>	<b>\$23,950</b>
<b>Very Low-Income:</b> <i>Households whose incomes do not exceed 50% of the area median income</i>	<b>\$39,950</b>
<b>Low-Income:</b> <i>Households whose incomes are between 50%-60% of the area median income</i>	<b>\$47,940</b>
<b>Moderate-Income:</b> <i>Households whose incomes are 80% of the area median income</i>	<b>\$63,900</b>
* Incomes are based on a four-person household.	



*Our mission is to improve the quality of life for Raleigh's citizens by increasing and improving the affordable housing stock, revitalizing older neighborhoods, and supporting related human services.*

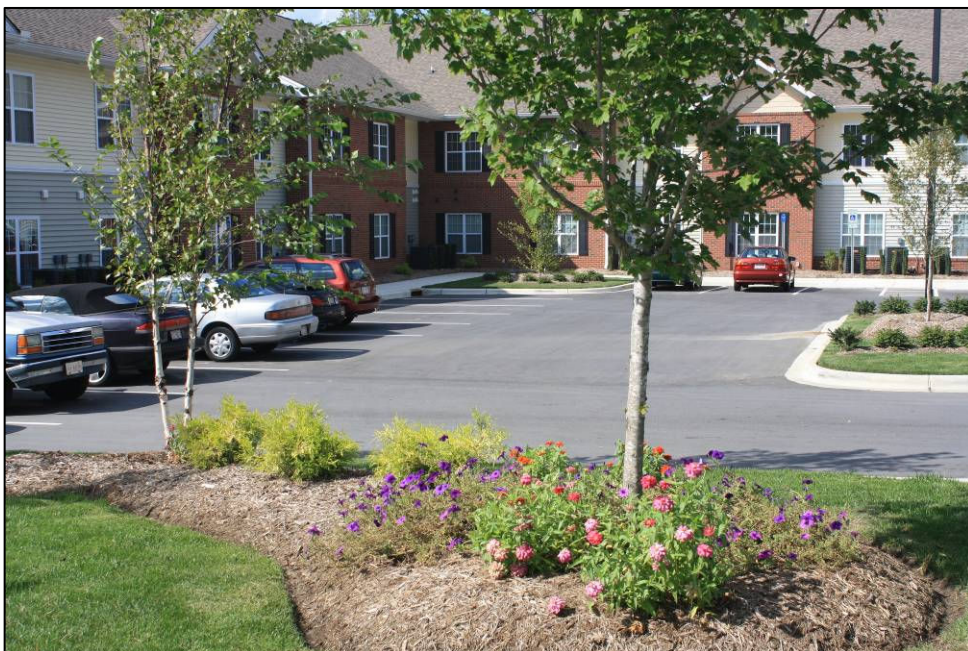
The Community Development Department welcomes your comments.

If you have any questions or comments, please call 919-996-4330 or email us at

[cd.info@raleighnc.gov](mailto:cd.info@raleighnc.gov)

Or

[www.raleighnc.gov/CommunityDevelopment](http://www.raleighnc.gov/CommunityDevelopment)



**Autumn Spring**  
Senior Apartments - Evergreen